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ABSTRACT

This two-page information review discusses the controversy over merit pay for teachers. The incidence and characteristics of merit pay programs are considered as well as the advantages and disadvantages of such programs. The question of whether merit pay is instrumental in improving teaching is raised. A list of 17 references is provided. (JD)

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# Fact Sheet

## MERIT PAY

by Patricia Pine

In the past year, interest in merit pay for elementary and secondary school teachers has increased sharply. Reports by the National Commission for Excellence in Education and other groups have recommended performance-based teacher compensation, while others have argued heatedly against such plans. Research on merit pay, while not extensive, throws some light on the controversy.

### What is merit pay?

In the purest sense, merit pay means that teachers are paid according to the quality of their teaching. Programs may range from a general statement authorizing a local board of education to exceed the regular salaries for teachers under certain conditions, to complex plans in which all certified teachers are evaluated and paid accordingly (Glasman 1974). Some programs combine merit pay with differentiated staffing, thus rewarding teachers for assuming higher levels of responsibility as well as for demonstrated competence. New programs in Florida and California take this combined approach, as do the proposed Tennessee master-teacher plan and a program adopted by the Charlotte-Mecklenberg, North Carolina, school district (Palaich 1983).

Under the Houston (Texas) Second Mile Plan, teachers receive incentive pay for helping meet a variety of school district needs, including recruiting other teachers into the district and completing graduate study hours.

### Is merit pay a new issue?

Before World War II, most teachers in the United States received salaries supposedly based on merit, but by 1950, most were rewarded exclusively for professional preparation and experience (Bhaerman 1971). Today, concern about inflation, teacher accountability, and professionalism contribute to renewed interest in merit pay (Stewart 1980).

### How widespread are merit-pay programs?

A small percentage of the nation's school districts have experimented with merit pay. When the Educational Research Service (ERS) surveyed nearly 3,000 school districts in 1977-78, about 4 percent were operating merit-pay plans; nearly twice as many (239 districts) had tried merit pay and dropped it (Educational Research Service 1979).

The situation at the state level is rapidly changing, and a number of state legislatures are expected to consider merit pay this year. A survey of state education-department policies by the Southern Regional Education Board (1982) found that Arizona, New Hampshire, and the District of Columbia either had or were preparing general statements on recognizing outstanding teachers. Florida and California recently enacted merit-pay plans (Tooh 1983). Two states, New York and Delaware, have experimented with salary-schedule changes and abandoned them (Conte and Mason 1972).

### What are the advantages of merit pay?

Goals of merit-pay programs, as cited by proponents, include: encouraging outstanding teachers to stay in the classroom (Bhaerman 1971); rewarding teachers fairly for superior service and ability; giving teachers incentives to improve instruction; stimulating concern for efficiency and effectiveness among teachers; and developing a greater sense of professionalism in the field (Glasman 1974). Some advocates argue for the economic benefits of merit pay, pointing to incentive programs in private industry that have stimulated productivity (Stewart 1980).

### What problems are associated with merit pay?

School districts surveyed by ERS cited problems in administration, personnel, collective bargaining, and cost (in that order) as chief reasons for dropping merit pay (Robinson 1983). (Difficulties encountered by specific districts are summarized in Educational Research Service 1979.) The chief obstacles merit-pay programs have encountered are the widespread opposition of teachers and the acrimony that can result when discriminatory reward policies are adopted (Conte and Mason 1972). Traditionally, teachers have objected strenuously to the kind of evaluation that merit-pay programs require (Bhaerman 1973). Indeed, the quest for evaluation procedures that teachers will accept as objective and fair has been the major problem for those attempting to design merit-pay programs (New York State School Boards Association 1973). Merit-pay proponents argue that problems result from poor program design, rather than from flaws in the concept itself (Poll 1979).

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What characterizes successful programs?

Successful programs have been characterized by sound research prior to implementation, local plans that suit local conditions (Conte and Mason 1972), and teacher participation in each phase of the plan, including evaluation (McKenna 1973). Parents, teachers, school-board members, and school administrators should have a uniform understanding of, and commitment to, merit pay; and salary increases should come on top of the regular salary schedule, not out of existing expenses (Glasman 1974). Merit-pay programs have tended to work best in small- to medium-sized school districts serving affluent, well-educated communities (Conte and Mason 1972).

Does merit pay improve teaching?

Little research has been done on the long-term effects of merit pay. Some researchers have questioned whether merit pay actually motivates teachers to improve instruction. An evaluation of Houston's Second Mile Plan showed that teacher absenteeism and turnover decreased somewhat under the incentive program, and that students' test scores improved. However, neither reward recipients nor their fellow teachers felt that the program motivated them to work harder or stay in teaching (Miller and Say 1982). A review of research on merit pay (ERIC Clearinghouse on Educational Management 1981) noted that teachers consistently have said that they are motivated by psychological rewards of teaching rather than by extrinsic factors, such as money. The review concluded, however, that merit pay has been tried in too few districts and on too small a scale to predict its impact.

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